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Before the FEDERAL COMMUNICATIONS COMMISSION FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY.

In re Applications of

MMM Docket No. 93-51

MARTHA J. HUBER, et al.

File Nos. BPH-911114ME,

et al.

For Construction Permit for a New FM Station on Channel 234A in New Albany, Indiana

TO: Honorable Richard L. Sippel Administrative Law Judge

REPLY TO OPPOSITION TO PETITION TO ENLARGE ISSUES

Martha J. Huber (Huber), by her attorneys, now replies to the "Opposition to Petition to Enlarge Issues" filed by Rita Reyna Brent (Brent) on June 2, 1993.

In her May 17, 1993 "Petition to Enlarge Issues," Huber demonstrated that Brent's counsel had admitted that Brent did not have the financial documentation that applicants must have on hand when they certify to their financial qualifications. Brent's opposition directly contradicts an earlier pleading she filed and does not provide the alleged financial documentation that might have answered the serious questions about her financial certification. Many substantial and material questions of fact remain which can only be resolved by specifying appropriate issues and holding a hearing.

Huber had filed a motion to compel seeking the production of financing documents, which Huber interpreted to include, for applicants proposing to rely upon funds from individuals,

No. of Copies rec'd_ List A B C D E balance sheets and/or financial statements. In response to Huber's motion, Brent's counsel wrote:

Brent has not failed to comply with $\S1,325$. She does not have any financing documents which would be subject to production under subparagraph (c) (1) (v).

Although Brent is not holding any documents not previously produced, she believes that it would be appropriate to comment briefly on the legal underpinnings of Huber's Motion.

<u>See</u> Huber Petition, Attachment 4, P. 2. The plain meaning of that language is that Brent did not have any balance sheets, income statements or other documents that Huber was requesting.

making irrational Brent accuses Huber of "an misinterpretation" of the pleading (Brent Opposition, P. 1) and attempts to characterize the language as a meaningless "transition phase" (Brent Opposition, P. 3). Brent's attempt to explain away the statement cannot be accepted because it contradicts the plain language of her counsel's statement. When Brent (through counsel) wrote that she was "not holding any documents not previously produced," that statement was not limited to financing documents that Brent thought should be It was a general statement relating to all produced. documents requested by Huber, including balance sheets and income statements. If Brent's sole purpose was to make legal argument as to why such documents need not be produced, the whole first sentence of Paragraph 3 would have been unnecessary. The subsequent legal argument of counsel served to deemphasize the fact that no documents existed as well as to protect Brent's position. The words must be given their plain English meaning.

Brent's declaration, in which she claims she had a balance sheet and income statements "on hand" when she prepared and signed her application, only raises further questions which must be resolved in a hearing. That declaration cannot be reconciled with the plain language of counsel's representation. A hearing must be held to resolve this discrepancy. Moreover, Brent's statement cannot be accepted at face value because she did not attach the documents that she allegedly had on hand when she certified. In Washoe Shoshone Broadcasting, 3 FCC Rcd 3948, 3953, 64 RR 2d 1748, 1755 (Rev. Bd. 1988), the Board cited 2 Wigmore on Evidence §285 (1940) for the classic principle that:

The failure to bring before the tribunal some circumstance, document, or witness, when either the party himself or his opponent claims that the facts would thereby by elucidated, serves to indicate, as the most natural inference, that the party fears to do so, and this fear is some evidence that the circumstance or document or witness, if brought, would have exposed facts unfavorable to the party.

For the purpose of determining whether issue enlargement is appropriate, adverse inferences should be drawn from Brent's failure to produce the documents in question. Indeed, if Brent and her husband did in fact have a balance sheet reflecting \$180,000 in net liquid assets (i.e., liquid assets less current liabilities), a not insubstantial sum, we can be assured that Brent would have submitted the balance sheet.

Brent's failure to present any such document clearly warrants an adverse inference.

The type of factual questions involved here is very similar to the factual questions that required the Presiding Judge to specify a financial qualifications issue against Staton Communications, Inc. (Staton). Memorandum Opinion and Order, FCC 93M-318 (released June 2, 1993). With respect to Staton, the "plain language" of its bank letter made the letter contingent upon the nonvoting stockholder's

when faced with ambiguities is to specify an issue "rather than face a remand." Memorandum Opinion and Order, FCC 93M-314 (released June 1, 1993) at ¶8. The questions concerning compliance with the Commission's financial Brent's qualifications standards are even more serious than the questions concerning Midamerica, Staton and Huber that resulted in the specification of issues against those The Court of Appeals' decision in Weyburn applicants. Broadcasting Limited Partnership v. FCC, 984 F.2d 1220, 71 RR 2d 1386 (D.C. Cir. 1993) emphasizes the danger of a remand when lingering questions about an applicant's financial qualifications are ignored.

Brent correctly notes that <u>Astroline Communications Co.</u>

<u>Ltd. Partnership v. FCC</u>, 857 F.2d 1556, 1561-1562, 65 RR 2d 538, 541-542 (D.C. Cir. 1988) "articulates the standard for designating a hearing issue." Brent Opposition, P. 3. Under that standard, issues must be designated against Brent. The first step in the analysis is to assume that the specific facts in the petition are true and determine if a reasonable fact finder could conclude "that the ultimate fact in dispute had been established." Here, the statement in Brent's <u>pleading establishes more than a reasonable possibility that</u>

Brent) demonstrates that a substantial and material question of fact exists. "A substantial question is one that is fairly debatable or one that could very well be decided in favor of the petitioner." Frank Digesu, Sr., 7 FCC Rcd 5459, 5461 n.5, 71 RR 2d 430, 432 n.5 (1992). It is more than "fairly debatable" whether Brent had the necessary documentation when it is impossible to tell from the available she certified: record what, if any documentation she had when she certified. Since a lack of documentation would make her financial certification defective, the question is "material." Id., 7 FCC Rcd at 5461 n.6, 71 RR 2d at 432 n.6. Other substantial and material questions of fact exist that must be answered in a hearing. Brent's declaration merely alleges that financial documents were "on hand" - if such documents existed, did she thoroughly review them before signing? Were any financial documents sufficiently detailed to comply with Commission's standards for such documents? Did the Brents actually have \$180,000 in net liquid assets as the Commission defines that term, or were the Brent's relying upon non-liquid assets?1 Brent currently works as a "Transcription Supervisor" for a medical center, which is not an obviously high-paying position. In light of these serious questions,

Accordingly, Huber asks the Presiding Judge to grant her "Petition to Enlarge Issues."

Respectfully submitted,

MARTHA J. HUBER

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Date: June 11, 1993

CERTIFICATE OF SERVICE

I, Susie Cruz, do hereby certify that on the 11th day of June 1993, a copy of the foregoing "Reply Opposition to Petition to Enlarge Issues" was sent first-class mail, postage prepaid to the following:

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